



## **DEPARTMENT OF ENERGY**

### **Western Area Power Administration**

#### **Recommendation for the Western Area Power Administration's Rocky Mountain Region and Colorado River Storage Project Management Center to Pursue Final Negotiations Regarding Membership in the Southwest Power Pool Regional Transmission Organization, and for the Upper Great Plains Region to Expand its Participation**

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of recommendation to pursue final negotiations regarding SPP RTO membership.

**SUMMARY:** Western Area Power Administration (WAPA), a Power Marketing Administration of the Department of Energy (DOE), recommends the Rocky Mountain Region (WAPA-RM) with its Loveland Area Projects Transmission System and the Colorado River Storage Project Management Center (WAPA-CRSP) with its Colorado River Storage Project Transmission System pursue final negotiations regarding transmission owning membership in the Southwest Power Pool (SPP) Regional Transmission Organization (RTO), and the Upper Great Plains Region (WAPA-UGP) with its Pick-Sloan Missouri Basin Project -- Eastern Division facilities in the Western Interconnection expand its participation in SPP. WAPA is seeking public comments from its customers, Indian Tribes, and other stakeholders on the substance of the recommendation.

**DATES:** WAPA-RM, WAPA-CRSP, and WAPA-UGP will hold at least one virtual customer and stakeholder meeting to provide an overview of the recommendation to pursue final negotiations with SPP concerning membership and expansion of membership

in SPP. Date(s) for the meetings will be posted on WAPA's website at:

[www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx](http://www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx).

To ensure consideration, all comments should be received by WAPA on or before 4:00 p.m. Mountain Time **[INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**ADDRESSES:** Send written comments via e-mail to *SPP-Comments@wapa.gov* or via regular mail to Rebecca Johnson, Transmission and Power Markets Advisor, Western Area Power Administration, 12155 West Alameda Parkway, Lakewood, CO 80228-8213. Written comments must be received by the deadline identified above to be considered in WAPA's decision process and should include the following information:

1. Name and general description of the entity submitting the comment.
2. Name, telephone number, and e-mail address of the entity's primary contact.
3. Identification of any specific recommendation the comment references.

**FOR FURTHER INFORMATION CONTACT:** Rebecca Johnson, Transmission and Power Markets Advisor at (720) 376-2400, email at *SPP-Comments@wapa.gov*, or regular mail at Western Area Power Administration, 12155 West Alameda Parkway, Lakewood, CO 80228-8213.

**SUPPLEMENTARY INFORMATION:** In October 2020, WAPA-RM and WAPA-UGP along with Tri-State Generation and Transmission Association, Basin Electric Power Cooperative, Municipal Energy Agency of Nebraska, and Deseret Power each executed non-binding Letters of Interest (LOI) to investigate membership or expanded participation in SPP. In April 2021, WAPA-CRSP executed a non-binding LOI. In

May 2021, Colorado Springs Utilities executed a non-binding LOI. In August 2022, Platte River Power Authority executed a non-binding LOI.

The participating entities have completed transmission cost studies, adjusted production cost modeling, and various other analyses. After discussions among these entities, negotiations with SPP, and further analysis by WAPA subject matter experts, and pursuant to its authority under Section 1232(a)(1)(A) of the Energy Policy Act of 2005 (42 U.S.C. 16431), WAPA recommends WAPA-RM and WAPA-CRSP pursue final negotiations regarding membership in SPP, and WAPA-UGP expand its participation in SPP. WAPA will continue to work with our customers both inside and outside of the proposed RTO-West footprint to the greatest extent possible, and continuously monitor the evolution of markets and the operational changes as they develop. The background, basis for the recommendation, and explanatory material are posted on WAPA's website at: [www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx](http://www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx).

WAPA-RM's membership would include SPP assuming the balancing authority responsibilities for the Western Area Colorado Missouri balancing authority area (BAA) that WAPA-RM operates today, as well as SPP operating a single SPP-West BAA.

In addition, WAPA-UGP, with its Pick-Sloan Missouri Basin Project -- Eastern Division facilities in the Western Interconnection, would pursue final negotiations to expand its participation in the SPP RTO. WAPA-UGP's Western Interconnection transmission facilities are already under the SPP tariff and WAPA-UGP's Eastern Interconnection facilities are already in the SPP RTO and SPP's Integrated

Marketplace. This recommendation includes SPP also assuming the balancing authority responsibilities for the Western Area Upper Great Plains West (WAUW) BAA that WAPA-UGP operates in the Western Interconnection today in a single SPP-West BAA, as well as SPP implementing its Integrated Marketplace across WAPA-UGP's facilities in the existing WAUW BAA footprint.

Through this process, WAPA is soliciting comments from its customers, Indian Tribes, and other stakeholders regarding its recommendation to pursue final negotiations. At the close of the comment period, WAPA will provide notification of its decision with a letter to stakeholders and by a posting to its website. Concurrent with this comment process, WAPA also will conduct a separate Tribal consultation.

If the decision is made by WAPA to move forward with final negotiations with SPP, and those negotiations are successful, WAPA-RM and WAPA-CRSP would then execute SPP membership agreements and WAPA-UGP would expand its participation in SPP.

### **Legal Authority**

Any decision by WAPA to move forward with final negotiations with SPP will be consistent with WAPA-RM, WAPA-CRSP, and WAPA-UGP statutory requirements and as outlined in the explanatory material posted on WAPA's website. Section 1232(b) of the Energy Policy Act of 2005 authorizes the appropriate Federal regulatory authority to enter into a contract, agreement, or other arrangement transferring control and use of all or part of the transmission system of a Federal utility to a Transmission Organization (42 U.S.C. 16431(b)). By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy

designated the Administrator of WAPA as the appropriate Federal regulatory authority with respect to all or part of WAPA's transmission system.

### **Availability of Information**

The Recommendation Report and explanatory material to be presented at the public meeting(s), as well as other supporting documents, are available for review and comment on the website at: [www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx](http://www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx). Comments received as part of this public process, along with WAPA's responses will be posted on the same website after the close of the comment period.

### **Environmental Compliance**

WAPA has determined this action fits within the following categorical exclusion listed in appendix B to subpart D of 10 CFR part 1021: B4.4 (Power Marketing Services and Activities). Categorically excluded projects and activities do not require preparation of either an environmental impact statement or an environmental assessment.<sup>1</sup> A copy of the categorical exclusion determination is available on the website at: [www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx](http://www.wapa.gov/About/keytopics/Pages/southwest-power-pool-membership.aspx).

### **Signing Authority**

This document of the Department of Energy was signed on April 17, 2023, by Tracey A. LeBeau Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. This document, with the original

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<sup>1</sup> The determination was done in compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321–4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500–1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on April 25, 2023.

**Treena V. Garrett,**  
*Federal Register Liaison Officer,*  
*U.S. Department of Energy.*

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